

11-28-00

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11/27/00  
jc961 U.S. PTO

PATENT APPLICATION

Docket No. 15-810

WATTS, HOFFMANN, FISHER & HEINKE CO., L.P.A.  
PO Box 99839  
Cleveland, Ohio 44199-0839

Assistant Commissioner for Patents  
Washington, D.C. 20231

**NEW APPLICATION TRANSMITTAL**

Transmitted herewith for filing is the PATENT APPLICATION of  
Inventor(s): Paul Stephen Tolley

For (Title): PAYMENT SYSTEM

This new application is for a(n):

☒ Original ☐ Design ☐ Divisional  
☐ Continuation ☐ Continuation-in-part (CIP)

jc912 U.S. PTO  
09/722913  
11/27/00

Papers enclosed are:

5 Pages of Specification  
2 Pages of Claims  
1 Pages of Abstract  
☐ Sheets of Drawings (☐ formal/ ☐ informal)  
☐ Preliminary Amendment  
☐ Information Disclosure Statement  
☐ Declaration of Biological Deposit  
☐ Other  
☒ Declaration or Oath (☒ executed by inventor(s))  
☒ Small Entity Statement

☒ Assignment to Netcard Cash Limited

☐ will follow

☒ cover sheet for Assignment accompanying new patent  
application

**CERTIFICATE OF MAILING BY U.S. EXPRESS MAIL**

I hereby certify that this New Application Transmittal and the documents referred to as enclosed therein are being deposited with the United States Postal Service on this date November 27, 2000 in an envelope as "Express Mail Post Office to Addressee" Mailing Label Number EL391520655US addressed to the: Assistant Commissioner for Patents, Washington, D.C. 20231.

Cynthia M. Wilson

Name

Cynthia M. Wilson  
Signature

**Claim For Benefit of Prior US Provisional Application - 35 U.S.C. §119(e)**

\_\_\_\_\_ The new application being transmitted claims the benefit of prior US provisional application(s) :

\_\_\_\_\_  
Provisional Application Number

\_\_\_\_\_  
Filing Date

**Relate Back--35 U.S.C. 120**

\_\_\_\_\_ The new application being transmitted claims the benefit of prior U.S. application. Amend the Specification by inserting before the first line the sentence: "This is a

- \_\_\_\_\_ continuation
- \_\_\_\_\_ continuation-in-part
- \_\_\_\_\_ divisional

of copending application(s)

\_\_\_\_\_ serial number \_\_\_\_\_ filed on \_\_\_\_\_

Inventorship Statement

**The inventorship for all the claims in this application are:**

  X   the same.

**Maintenance of Copendency of Prior Application**

\_\_\_\_\_ A petition, fee and response extends the term in the pending prior application until \_\_\_\_\_.

\_\_\_\_\_ A copy of the petition filed in prior application is attached.

**Abandonment of Prior Application (if applicable)**

\_\_\_\_\_ Please abandon the prior application at a time while the prior application is pending or when the petition for extension of time or to revive in that application is granted and when this application is granted a filing date so as to make this application copending with said prior application.

## Fee Calculation

CLAIMS AS FILED				
Number filed	Number Extra	Rate	Basic Fee	
			\$710.00	
Total				
Claims 17	-20= 0	x \$18.00= 0		
Independent				
Claims 1	- 3= 0	x \$80.00= 0		
Multiple				
Dependent Claim(s), if any		\$260.00=		

Total Filing Fee Calculation \$ 710.00

   Design Application Filing Fee Calculation \$   

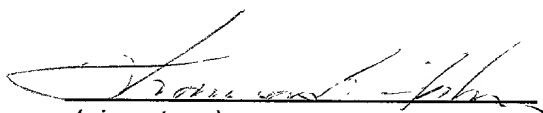
  X   Filing Fee for a Small Entity (50%) \$ 355.00

  X   Fee for Recording Assignment (\$40) \$ 40.00

  X   Enclosed are two checks in the amounts of \$ 355.00 and \$ 40.00

   Charge Deposit Account No. 23-0630 in the amount of \$           

  X   The Commissioner is hereby authorized to charge any additional fees which may be required, or credit any overpayment to Deposit Account No. 23-0630.

  
(signature)

Thomas E. Fisher  
(name)

Reg No. 18,271

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Applicant or Patentee:  
Serial or Patent No.:  
Filed or Issued:  
For:

Attorney's Docket No.:

**VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY  
STATUS (37 C.F.R. 1.9(f) and 1.27(c)) - SMALL BUSINESS CONCERN**

I hereby declare that I am:

- ☐ the owner of the small business concern identified below:  
☒ an official of the small business concern empowered to act on behalf of the concern  
identified below:

NAME OF CONCERN: Netcard Cash Limited

ADDRESS OF CONCERN: 75 Manchester Road, Congleton, Cheshire, CW12 2HT,  
United Kingdom

I hereby declare that the above identified small business concern qualifies as a small business concern as defined in 13 C.F.R. 121.3-18, and reproduced in 37 C.F.R. 1.9(d), for purposes of paying reduced fees under section 41(a) and (b) of Title 35, United States Code, in that the number of employees of the concern, including those of its affiliates, does not exceed 500 persons. For purposes of this statement, (1) the number of employees of the business concern is the average over the previous fiscal year of the concern of the persons employed on a full-time, part-time or temporary basis during each of the pay periods of the fiscal year, and (2) concerns are affiliates of each other when either, directly or indirectly, one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.

I hereby declare that rights under contract or law have been conveyed to and remain with the small business concern identified above with regard to the invention, entitled Payment System

by inventor(s) Paul Stephen Tolley  
described in:

- |                          |                                  |        |
|--------------------------|----------------------------------|--------|
| <input type="checkbox"/> | the specification filed herewith |        |
| <input type="checkbox"/> | application serial no            | filed  |
| <input type="checkbox"/> | patent no                        | issued |

If the rights held by the above identified small business concern are not exclusive, each individual, concern or organisation having rights to the invention is listed below\* and no rights to the invention are held by any person, other than the inventor, who could not qualify as a small business concern under 37 C.F.R. 1.9(d) or by any concern which would not qualify as a small business concern under 37 C.F.R. 1.9(d) or a non-profit organisation under 37 C.F.R. 1.9(e).

\* NOTE: Separate verified statements are required from each named person, concern or organisation having rights to the invention averring to their status as small entities. (37 C.F.R. 1.27)

NAME:

ADDRESS:

☐ Individual ☐ Small Business Concern ☐ Non-profit Organisation

FULL NAME:

ADDRESS:

☐ Individual ☐ Small Business Concern ☐ Non-profit Organisation

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 C.F.R. 1.28(b)).

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that wilful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such wilful false statements may jeopardise the validity of the application, any patent issued thereon, or any patent to which this verified statement is directed.

NAME: Paul Stephen Tolley

TITLE OF PERSON OTHER THAN OWNER: Director

ADDRESS OF PERSON SIGNING: 75 Manchester Road, Congleton, Cheshire, CW12 2HT,  
United Kingdom.

SIGNATURE:



DATE: 23.11.00

Applicant or Patentee:  
Serial or Patent No.:  
Filed or Issued:  
For:

Attorney's Docket No.:

**VERIFIED STATEMENT (DECLARATION) CLAIMING SMALL ENTITY  
STATUS (37 C.F.R. 1.9(f) and 1.27(b)) - INDEPENDENT INVENTOR**

As a below named inventor, I hereby declare that I qualify as an independent inventor as defined in 37 CFR 1.9(c) for purposes of paying reduced fees under section 41(a) and (b) of Title 35, United States Code, to the Patent and Trade Mark Office with regard to the invention entitled Payment System described in:

☐ the specification filed herewith  
☐ application serial no. filed  
☐ patent no.

I have not assigned, granted, conveyed or licensed and am under no obligation under contract or law to assign, grant, convey or license, any rights in the invention to any person who could not be classified as an independent inventor under 36 CFR 1.9(c) if that person had made the invention, or to any concern which would not qualify as a small business concern under 37 CFR 1.9(d) or a non-profit organisation under 37 CFR 1.9(e).

Each person, concern or organisation to which I have assigned, granted, conveyed, or licensed or am under an obligation under contract or law to assign, grant, convey, or license any rights in the invention is listed below:

☐ no such person, concern or organisation  
☒ persons, concerns or organisations listed below\*

\*Note: Separate verified statements are required from each named person, concern or organisation having rights to the invention averring to their status as small entities (37 CFR 1.27).

FULL NAME: Netcard Cash Limited

ADDRESS: 75 Manchester Road, Congleton, Cheshire, CW12 2HT, United Kingdom.

☐ Individual ☒ Small Business Concern ☐ Non-profit Organisation

FULL NAME:

ADDRESS:

☐ Individual ☐ Small Business Concern ☐ Non-profit Organisation

FULL NAME:

ADDRESS:

☐ Individual ☐ Small Business Concern ☐ Non-profit Organisation

I acknowledge the duty to file, in this application or patent, notification of any change in status resulting in loss of entitlement to small entity status prior to paying, or at the time of paying, the earliest of the issue fee or any maintenance fee due after the date on which status as a small entity is no longer appropriate. (37 CFR 1.28(b)).



EL391520655US

### Payment System

This invention concerns a payment system and apparatus usable in such a system.

An ever increasing amount of products and services are being purchased by mail order, telephone and particularly over the Internet. Conventionally, the latter two are usually paid for by credit card. It is often not considered desirable to provide credit card details for such purposes as they may be fraudulently used by an unauthorised person. This can be a particular fear with the Internet where it can be very difficult to identify the address and often even the location of a party offering a service or product. Furthermore, many people do not wish or cannot have credit cards, for instance as they may exceed their credit limit, may have been refused credit, or may be too young.

According to the present invention there is provided a payment system, the payment system comprising a plurality of purchasing unit means which can be issued and have a predetermined value or values, activating means operable when a purchasing unit means is issued, means for checking the activating means to establish whether a purchasing unit means has been issued, and means for cancelling part or all of the issuance when part or all of the purchasing unit means is spent.

The purchasing unit means is preferably allocated a unique identification, such as a unique, and desirably randomly generated, number.

The purchasing unit means can be provided electronically, and may be such that a purchaser can print the purchasing unit means.

Alternatively, the purchasing member may comprise a physical member which may comprise a card. The purchasing unit means preferably includes a visually readable unique identification, and may also comprise a machine readable unique identification, which may be the same or different. The



machine readable identification may be in the form of a magnetic strip, barcode, 'glif', intelligent or optical character recognition. Purchasing unit means with different predetermined values may be provided.

Means may be provided to permit a purchaser of a purchasing unit means to allocate a unique security code to the purchasing unit means, which security code is required to be given to enable the purchasing unit means to be spent.

Where the purchasing unit means comprises a physical member, the member may comprise a detachable part, which part may bear the unique security code.

The activating means preferably comprises an accessible database which records the unique identifications of the purchasing unit means and an indication as to whether the purchasing unit means have been issued and whether the issuance has yet been cancelled.

The activating means may comprise a plurality of discrete vending stations where purchasing unit means can be purchased or otherwise distributed, and simultaneously issued, with a signal being sent to the database that the particular purchasing unit means has been issued. The activating means may be arranged to be operable only at certain hours, or only operable at certain hours for particular vending stations, to provide additional security.

The cancelling means may comprise a plurality of discrete purchasing stations where the identification of purchasing unit means can be read or inputted, and a signal sent to the database to cancel part or all of the issuance of the purchasing member.

Means may be provided to permit the uncanceled values of two or more purchasing unit means to be combined, and desirably on a fresh purchasing unit means.

The invention also provides apparatus usable in a purchasing system according to any of the preceding ten paragraphs.

The invention still further provides a purchasing unit means usable with a system according to any of said preceding ten paragraphs.

An example of a payment system and apparatus usable in it, according to the invention, will now be described by way of example only.

A plurality of purchasing members are provided in the form of cards similar to conventional credit cards. Each of the cards is allocated a specific value such as £5 or £10 and bears a magnetic strip with a unique randomly generated identification number thereon. The cards also bear a visually readable number which can be inputted into a computer or read out over a telephone. Whilst this number could be the same as that held by the magnetic strip, in general this would be a different number to provide extra security.

The cards can be purchased from a number of vending stations which could for example, be located in Post Offices, shops, banks, petrol stations, etc. When a purchasing member is sold, the unique identification is automatically read at the vending station and a signal sent to a central database that the particular purchasing member has been issued.

The purchasing member can be spent in locations or more likely over the telephone or by using the Internet or other electronic means. The purchasing member can be spent by providing the visually readable unique identification number which can be transmitted to the database to cause the issuance to be wholly or partially cancelled, depending on the cost of the services or products being bought relative to the value of the purchasing member.

There is thus described a payment system which permits purchasing members to be bought with cash if necessary and used as cash but in situations where cash traditionally cannot be used, i.e. over the telephone or over the

Internet. The system is restricted to the value of the purchasing members and thus a user's potential losses are only of the value of the purchasing members. This enables persons who choose not or cannot have a credit card to purchase goods and services by methods which otherwise would not be feasible.

The system has other advantages of conventional cash transactions in that there are no statements required to the user and no possibility of junk mail being received or the like. The system also permits anonymous purchase of items which can be desirable or appropriate in certain circumstances. It is to be realised that this system is operable on a world-wide basis and can operate with different currencies or a single unique currency with appropriate conversions to national and regional currencies. By providing unique identification numbers on the purchasing members, refunds can be given if appropriate.

Various modifications may be made without departing from the scope of the invention. For instance the purchasing member may take a different form, and may not have a physical form but could rather just have an electronic form which could be transmitted to the purchaser. The electronic form may be provided on a computer, television, telephone, personal organiser etc. The purchaser may be able to print off a purchasing member, with or without any of the 'tear off element', the value, or the identification number.

The unique identification number or numbers could be read in different ways. The unique identification may be machine readable and may be in the form of a magnetic strip, barcode, 'glif', intelligent or optical character recognition. Rather than be sold such purchasing members, could be issued or awarded in various other circumstances. A unique security number could be allocated to each purchasing member, which number could be chosen by the purchaser. Where the purchasing member is in the form of a card the security number could be provided on a detachable and perhaps detachable part of the card which could be torn off, and which would allow the purchaser to store it separately. The system may be arranged such that part used purchasing members can be combined to form a fresh purchasing member or members of a

relevant amount.

Whilst endeavouring in the foregoing specification to draw attention to those features of the invention believed to be of particular importance it should be understood that the Applicant claims protection in respect of any patentable feature or combination of features hereinbefore referred to and/or shown in the drawings whether or not particular emphasis has been placed thereon.

CLAIMS

1. A payment system, the payment system comprising a plurality of purchasing unit means which can be issued and have a predetermined value or values, activating means operable when a purchasing unit means is issued, means for checking the activating means to establish whether a purchasing unit means has been issued, and means for cancelling part or all of the issuance when part or all of the purchasing unit means is spent.
2. A system according to claim 1, wherein the purchasing unit means are provided electronically.
3. A system according to claim 2, wherein the purchasing unit means are such that a purchaser can print the purchasing unit means.
4. A system according to claim 1, wherein the purchasing member comprises a physical member.
5. A system according to claim 4, wherein the purchasing member comprises a card.
6. A system according to claim 1, wherein the purchasing unit means includes a visually readable unique identification.
7. A system according to claim 1, wherein the purchasing unit means comprises a machine readable unique identification.
8. A system according to claim 7, wherein the machine readable identification is in the form of a magnetic strip, barcode, 'glif', intelligent or optical character recognition.
9. A system according to claim 1, wherein purchasing unit means with different predetermined values are provided.

10. A system according to claim 1, wherein means are provided to permit a purchaser of a purchasing unit means to allocate a unique security code to the purchasing unit means, which security code is required to be given to enable the purchasing unit means to be spent.
11. A system according to claim 4, wherein the physical member comprises a detachable part, which part bears a unique security code.
12. A system according to claim 1, wherein the activating means comprises an accessible database which records the unique identifications of the purchasing unit means and an indication as to whether the purchasing unit means have been issued and whether the issuance has yet been cancelled.
13. A system according to claim 12, wherein the activating means comprises a plurality of discrete vending stations where purchasing unit means can be purchased or otherwise distributed, and simultaneously issued, with a signal being sent to the database that the particular purchasing unit means has been issued.
14. A system according to claim 12, wherein the cancelling means comprises a plurality of discrete purchasing stations where the identification of purchasing unit means can be read or inputted, and a signal sent to the database to cancel part or all of the issuance of the purchasing member.
15. A system according to claim 1, wherein means are provided to permit the uncanceled values of two or more purchasing unit means to be combined on a fresh purchasing unit means.
16. Apparatus usable in a purchasing system according to claim 1.
17. A purchasing unit means usable with a system according to claim 1.

### ABSTRACT OF THE DISCLOSURE

A payment system, the system including a plurality of specific value cards each bearing a unique identification number. The cards can be purchased, and at this point the unique identification is read at a vending station and a signal sent to a central database. The cards can be spent for instance over the internet, and at this time the cards are cancelled by the sending of an appropriate signal including the unique identification number to the central database by the receiver of the payment.

## Declaration and Power of Attorney for Patent Application

As a below named inventor, I hereby declare that:

My residence, post office address and citizenship are as stated below next to my name.

I believe I am the original, first and sole inventor (if only one name is listed below) or an original, first and joint inventor (if plural names are listed below) of the subject matter which is claimed and for which a patent is sought on the invention entitled

### Payment System

the specification of which:

- ( X ) is attached hereto.
- ( ) was filed on  
as Application serial no.  
and was amended on
- ( ) was described and claimed in PCT International Application No.  
, filed on and amended under PCT  
Article 19 on

I hereby state that I have reviewed and understand the contents of the above identified specification, including the claims, as amended by any amendment referred to above.

I acknowledge the duty to disclose to the Patent and Trademark Office all information known to me to be material to patentability as defined in Title 37, Code of Federal Regulations, Section 1.56.

If this application is a continuation-in-part application, I acknowledge the duty to disclose to the Patent and Trademark Office all information known to me to be material to patentability as defined in Title 37, Code of Federal Regulations, Section 1.56, which became available between the filing date of the prior application and the national or PCT international filing date of this continuation-in-part application.

I hereby claim foreign priority under Title 35, United States Code, Section 119 of any foreign application(s) for patent or inventor's certificate listed below and have also identified below any foreign application for patent or inventor's certificate having a filing date before that of the application on which priority is claimed:

### Prior Foreign Application(s)

<u>Number</u>	<u>Country</u>	<u>Filing Date</u>	<u>Priority Claimed</u> (Yes/No)
9927939.0	United Kingdom	26/11/1999	Yes
0000433.3	United Kingdom	11/01/2000	Yes

I hereby claim the benefit under Title 35, United States Code, Section 119(e) of any United States provisional application(s) listed below.

<u>Application No.</u>	<u>Filing Date</u>
------------------------	--------------------

I hereby claim the benefit under Title 35, United States Code, Section 120 of any United States application(s) listed below, and insofar as the subject matter of each of the claims of



this application is not disclosed in the prior United States application in the manner provided by the first paragraph of Title 35, United States Code, Section 112. I acknowledge the duty to disclose material information as defined in Title 37, Code of Federal Regulations, Section 1.56(a) which occurred between the filing date of the prior application and the national or PCT international filing of this application:


Application Serial No.      Filing Date      Status - Patented, Pending, Abandoned

I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that wilful false statements and the like so made are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code and that such wilful false statements may jeopardize the validity of the application or any patent issued thereon.

**POWER OF ATTORNEY:** I hereby appoint the following attorney(s) and/or agent(s) to prosecute this application and transact all business in the Patent and Trademark Office connected therewith: T.E. Fisher, Reg. No. 18,271; L.L. Heinke, Reg. No. 19,471; J.G. Watterson, Reg. No. 20,180; L.J. Raney, Reg. No. 23,078; J.R. Hlavka, Reg. No. 29,076; S.J. Schultz, Reg. No. 29,108; R.A. Sharpe, Reg. No. 34,722; G.L. Pinchak, Reg. No. 37,697; P.A. Serbinowski, Reg. No. 34,429; and M.C. Fagan, Reg. No. 37,542. Send correspondence to:

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Full name of sole or first joint inventor: Paul Stephen Tolley

Inventor's signature: 

Date: 12.11.00

Residence address: 75 Manchester Road, Congleton, Cheshire, CW12 2HT,  
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Citizenship: United Kingdom

Post Office Address (if different):